

# Returning to Work After Retirement

For Members Joining SDRS Prior to July 1, 2017 (Foundation Members)

Retired SDRS members may choose to become reemployed. The provisions governing SDRS do not prohibit a member from returning to work or an employer from hiring a retiree. However, South Dakota Codified Laws 3-12-81.1 and 3-12-200 outline the statutory requirements regarding reemployment for a retired member. This document is designed to provide SDRS retirees with general information about returning to work.

## **Your Benefit Will Not Be Affected**

- If you return to work for a non-SDRS employer in any capacity, you will continue to receive your monthly SDRS retirement benefit with no change.
- If you return to work for an SDRS employer as a temporary or part-time, non-benefited employee, you will continue to receive your monthly SDRS retirement benefit with no change. *Note: SDRS defines part-time employment as less than 20 hours per week.*

## **Your Benefit Will Be Affected**

- If you return to work for an SDRS employer in a permanent, full-time capacity, your SDRS retirement benefit will be affected. *Note: SDRS defines full-time employment as at least 20 hours per week and at least six months per year.*

## **Conditions of Reemployment**

Before returning to SDRS-covered employment, a member must complete three full calendar months of termination from employment beginning from the member's effective date of retirement. Termination from employment is a complete severance of employment, severance of benefits provided by the employer, and pay-out of any sick and/or annual leave and/or remaining contract.

Returning to SDRS-covered employment prior to satisfying the required termination period revokes the member's retirement status and all retirement benefits must be repaid to SDRS, with interest.

In addition to the three full calendar month termination period, the following criteria must also be satisfied:

- No formal or informal agreement regarding

reemployment prior to the member's retirement of any kind may exist;

- The member's termination must be certified by the employer; and
- The new employer must certify that the member was subject to all proceedings for hiring and employment of a new employee.

## **How Your Benefit Will Be Affected**

### **If you retired early with a reduced benefit:**

- Your entire benefit will be suspended during the reemployment period;
- The annual cost-of-living adjustment (COLA) will be eliminated during the reemployment period;
- Your member contributions will go into your SDRS Supplemental Retirement Plan (SRP) account and employer contributions will remain with SDRS—you will not accrue a second SDRS benefit.

### **If you retired early with an unreduced benefit under normal or special early retirement:**

- Your benefit will be reduced by 15% during the reemployment period;
- The annual cost-of-living adjustment (COLA) will be eliminated during the reemployment period;
- Your member contributions will go into your SDRS Supplemental Retirement Plan (SRP) account and employer contributions will remain with SDRS—you will not accrue a second SDRS benefit.

**If you are contemplating a return to SDRS-covered employment, it is important to contact SDRS prior to accepting any position to determine if and how your SDRS retirement and benefits will be impacted.**

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